

AMENDED IN SENATE SEPTEMBER 2, 1999

AMENDED IN SENATE AUGUST 16, 1999

AMENDED IN SENATE JULY 7, 1999

AMENDED IN SENATE JUNE 17, 1999

AMENDED IN ASSEMBLY APRIL 5, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 872

Introduced by Assembly Member Alquist
(Coauthors: Assembly Members House, Knox, Kuehl, and
Leach)

(Coauthors: Senators Figueroa and Rainey)

February 25, 1999

An act to add Sections 14529.17, 14529.19, and 14529.23 to the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 872, as amended, Alquist. Transportation: regional and local project funds: allocation and transfer.

Existing law authorizes a local agency to enter into an agreement with the appropriate transportation planning agency, the California Transportation Commission, and the Department of Transportation to use its own funds to develop, purchase right-of-way, and construct a project within its jurisdiction if the project is included in the adopted state transportation improvement program and funded from specified sources. The department is required to reimburse

the local agency for the amount expended pursuant to the agreement from funds allocated by the commission for the project in the year it was scheduled in the state transportation improvement program, as specified.

This bill would authorize a regional or local entity to expend its own funds for any component of a transportation project within its jurisdiction that is included in the current fiscal year's state transportation improvement program and for which the commission has not made an allocation. The amount expended would be authorized to be reimbursed by the state, subject to annual appropriation by the Legislature, if (1) the commission makes an allocation for, and the department executes a fund transfer agreement for, the project during the same fiscal year as when the regional or local expenditure was made; (2) expenditures made by the regional or local entity are eligible for reimbursement in accordance with state and federal laws and procedures; and (3) the regional or local entity complies with all legal requirements for the project, as specified.

The bill would require the department and a local or regional entity to execute an agreement to transfer funds for a project within 90 days from the date on which the commission approves an allocation for the project, if no deficiencies that require clarification by a local or regional entity are identified in the preaward audit for the project and the project is included in an adopted state transportation improvement program.

The bill would require the department, on July 1, 2000, and annually thereafter, to compile information and report to the Legislature on the number of projects for which an agreement to transfer funds was executed and on all projects for which an agreement was not executed *within the period provided* and the reasons therefor, and a description of any actions taken by the department during the prior fiscal year to streamline, expedite, and simplify the department's process for executing the specified agreements to transfer funds.

The bill would require the department to implement systems that allow rapid access to funds made available under executed agreements to transfer funds. The bill would require



the Controller to develop a system that provides access to those funds by electronic transfer of funds, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature in
2 enacting this act to streamline and improve the process
3 for allocating and transferring funds to regional and local
4 governmental entities for projects included in the state
5 transportation improvement program.

6 SEC. 2. Section 14529.17 is added to the Government
7 Code, to read:

8 14529.17. (a) A regional or local entity that is the
9 sponsor of, or is eligible to receive funding for, a project
10 contained in the state transportation improvement
11 program may expend its own funds for any component of
12 a transportation project within its jurisdiction that is
13 included in an adopted state transportation
14 improvement program and for which the commission has
15 not made an allocation.

16 (b) The amount expended under subdivision (a) shall
17 be reimbursed by the state, subject to annual
18 appropriation by the Legislature, if all of the following
19 conditions are met:

20 (1) The commission makes an allocation for, and the
21 department executes an agreement to transfer funds for,
22 the project.

23 (2) Expenditures made by the regional or local entity
24 are eligible for reimbursement in accordance with state
25 and federal laws and procedures. In the event
26 expenditures made by the regional or local entity are
27 determined to be ineligible, the state has no obligation to
28 reimburse those expenditures.

29 (3) The regional or local entity complies with all legal
30 requirements for the project, including, but not limited
31 to, authorization by the federal government, if required,
32 Section 14520.3, and the requirements of the California

1 Environmental Quality Act (Division 13 (commencing
2 with Section 21000) of the Public Resources Code).

3 (c) Upon the execution of an agreement with the
4 department to transfer reimbursement funds for a
5 project described in subdivision (a), the commission may
6 delay reimbursement pursuant to this section only if
7 programming or cash-management issues prevent
8 immediate repayment.

9 (d) This section shall be limited to projects advanced
10 for expenditure by an eligible local or regional entity
11 within the 12 months preceding the date the project
12 would otherwise be allocated funding by the commission.

13 *(e) Unless otherwise agreed in advance by the*
14 *commission and the department, the funds appropriated*
15 *for the purposes of reimbursement under this section*
16 *shall be federal funds and state matching funds.*

17 SEC. 3. Section 14529.19 is added to the Government
18 Code, to read:

19 14529.19. (a) If no deficiencies that require
20 clarification by a local or regional entity are identified in
21 the preaward audit for a local or regional project that is
22 included in an adopted state transportation
23 improvement program, the department and the local or
24 regional entity shall execute an agreement to transfer
25 funds for the project within 90 days from the date on
26 which the commission approves an allocation for the
27 project.

28 (b) Notwithstanding Section 7550.5, on July 1, 2000,
29 and annually thereafter, the department shall compile
30 information and report to the Legislature on the number
31 of projects for which an agreement to transfer funds
32 under subdivision (a) was executed and on all projects for
33 which an agreement was not executed *within the period*
34 *provided* under subdivision (a) and the reasons therefor.
35 The information provided by the department shall
36 include a description of any actions taken by the
37 department during the prior fiscal year to streamline,
38 expedite, and simplify the department's process for
39 executing the agreements to transfer funds required
40 under subdivision (a).

1 SEC. 4. Section 14529.23 is added to the Government
2 Code, to read:

3 14529.23. The department shall implement systems
4 that allow rapid access to funds made available under
5 executed agreements to transfer funds. The Controller
6 shall develop a system that provides access to those funds
7 by electronic transfer of funds. Upon the development of
8 that system by the Controller, the department shall
9 utilize that system to comply with Section 14529.19 to the
10 maximum extent feasible.
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